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9 *Muddy Waters Capital LLC*

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11 **UNITED STATES DISTRICT COURT**  
12 **CENTRAL DISTRICT OF CALIFORNIA**

13 In re BANC OF CALIFORNIA  
14 SECURITIES LITIGATION

Case No. 8:17-cv-00118-DMG (DFMx)

15 CLASS ACTION

16 This Document Relates To:

17 ALL ACTIONS.

18 **STATUS REPORT AND REQUEST**  
19 **FOR RULING RE MOTION FOR**  
20 **SANCTIONS AND CONTEMPT**  
21 **ORDER**

22 Judge: Hon. Dolly M. Gee  
23 Courtroom: 8C  
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1 Third Party Muddy Waters Capital LLC (“Muddy Waters”) files the following  
2 status report with respect to the pending proceeding on its Motion for Sanctions And  
3 Contempt Order Against Steven A. Sugarman and Latham & Watkins LLP.

4 Muddy Waters’ motion was filed on October 23, 2023 [Dkt. 623]. Briefing  
5 was concluded on December 1, 2023 [Dkt. 645]. On December 14, 2023, this Court  
6 determined that the motion would be decided on the papers without oral argument  
7 [Dkt. 649].

8 Since December 14, 2023, there have been several developments involving the  
9 parties. Most notably, on June 3, 2024, the Minnesota Court of Appeals decided the  
10 case of *Sugarman v. Muddy Waters Capital, LLC*, 2024 WL 2813944 (Minn. App.  
11 Jun. 3, 2024). The Minnesota Court of Appeals affirmed a trial court ruling that Mr.  
12 Sugarman’s suit brought against Muddy Waters Capital in Minnesota was brought in  
13 an inconvenient forum and was properly dismissed. The Court held that Sugarman’s  
14 suit could properly have been brought in California where he is located rather than in  
15 Minnesota, a jurisdiction with no relationship to the parties and witnesses. (Muddy  
16 Waters is officed in Texas.) This dismissal buttresses the point made in footnote 5 of  
17 Muddy Waters’ moving papers that Sugarman is litigious has filed numerous  
18 inappropriate lawsuits against Muddy Waters which have been dismissed.

19 Additionally, Sugarman filed suit in California Superior Court against his  
20 former employee Adam Levine, who submitted a declaration on Muddy Waters’  
21 behalf in this action [Dkt. 623-6]. As part of that suit, Sugarman sought discovery  
22 from Muddy Waters and his lawyers. In a response to a motion to protective order,  
23 the Court entered severe restrictions, far beyond the usual provisions of a protective  
24 order, on Sugarman’s use of the documents, thereby implicitly accepting Muddy  
25 Waters’ argument that Sugarman had violated this Court’s protective order and is not  
26 to be trusted. A copy of that order is attached hereto as Exhibit 1.

27 Given the time that has elapsed and the danger that Sugarman’s litigious  
28 conduct continues to pose, Muddy Waters respectfully requests that this Court rule on

1 its motion for sanctions and a contempt order.

2 Dated: October 3, 2024

HARDER STONEROCK LLP

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4 By: /s/ Dilan A. Esper

DILAN A. ESPER

Attorneys for Nonparty

Muddy Waters Capital LLC